#### BEFORE THE OHIO POWER SITING BOARD

In the Matter of the Application	)	
of Champaign Wind, LLC, for a		Case No. 12-0160-EL-BGN
Certificate to Construct a	)	
Wind-Powered Electric Generating		
Facility in Champaign County, Ohio	)	

MOTION FOR LEAVE TO FILE *INSTANTER* THE WRITTEN DIRECT TESTIMONY OF JOSEPH C. PICKARD OF THE INSTITUTE OF SCRAP RECYCLING INDUSTRIES, INC. OUT OF TIME AND MEMORANDUM IN SUPPORT

Come now the Champaign County Board of Commissioners and the Boards of Trustees of Goshen, Union and Urbana, by and through their counsel, and hereby move for leave to file *instanter* the attached testimony of Joseph C. Pickard out of time for the reason that the attached testimony regarding salvage value could not be fully addressed until after the filing of the Staff's Report of Investigation on October 10, 2012 and receipt of Champaign Wind, LLC's direct testimony on October 29, 2012 and, due to the location and schedule of the witness and the impact of Hurricane Sandy last week, it was impossible to timely obtain the testimony.

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#### MEMORANDUM IN SUPPORT

On August 2, 2012, the procedural schedule was established to require intervenors to file their witnesses' testimony on November 5, 2012, approximately a week after applicant was required to file its witnesses' testimony. It was necessary to obtain applicant's witness testimony to fully comprehend the applicant's current position regarding inclusion of salvage values in calculating the amount of financial assurance for decommissioning after receipt of the Staff's Report of Investigation. Unfortunately, during the brief interval of a week between receipt of applicant's witness testimony and the deadline for filing our witness testimony, Hurricane Sandy disrupted communication and business along the east coast of the U.S. where our witness, Joseph C. Pickard, is located and ultimately delayed our receipt of his testimony until today.

We believe that the short delay has not prejudiced the other parties as we anticipate Mr. Pickard testifying on or about November 26, 2012, almost three weeks from now. This will allow the other parties to adequately review his brief testimony on an important subject at issue, being salvage value of the wind turbine components upon decommissioning.

For the reasons set forth herein, the Champaign County Board of Commissioners and the Boards of Trustees of Goshen, Union and Urbana respectfully request that they be granted leave to file *instanter* the written direct testimony of Joseph Pickard attached hereto.

Respectfully submitted,

NICK A. SELVAGGIO CHAMPAIGN COUNTY

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#### CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing was sent to Miranda R. Leppla, Esq., Vorys, Sater, Seymour & Pease, 52 East Gay Street, P.O. Box 008, Columbus, Ohio 43216-1008, to Chad A. Endsley, Esq., Ohio Farm Bureau Federation, 280 N. High Street, P.O. Box 182383, Columbus, Ohio 43218-2383, to Christopher A Walker, Esq., Van Kley & Walker LLC, 137 North Main Street, Suite 316, Dayton, Ohio 45402, Stephen Reilly and Devin Parram, Assistant Attorneys General, Public Utilities Section, 180 East Broad Street, 6th Floor, Columbus, Ohio 43215-3793 and Kurt P. Helfrich, Philip B. Sineneng and Ann B. Zallocco, Thompson Hine LLP, 41 South High Street, Suite 1700, Columbus, OH 43215-6101 and to Gil S. Weithman, City of Urbana Law Director, 205 S Main St., Urbana, Ohio 43078 by electronic service, this 7th day of November, 2012.

Jane A. Napier (0061426)

#### BEFORE THE OHIO POWER SITING BOARD

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DIRECT TESTIMONY OF JOSEPH C. PICKARD			
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## Q. What is your full name?

Joseph Conlin Pickard

- Q. What professional degrees and/or certifications have you achieved?
- M. A., Economics, Virginia Tech
- B.A., Political Science, Loyola University Maryland
- Q. What is your current position?

Chief Economist and Director of Commodities, Institute of Scrap Recycling Industries, Inc.

Q. How long have you been in current position?

Two years.

## Q. What are some issues which may determine the salvage value of the components of a wind turbine in decommissioning?

Issues likely to impact the salvage value of a wind turbine would include the make and model of the turbine due in part to variations in size, content and design. Other issues that may affect the salvage value would include prevailing scrap market prices for the turbine component parts including but not limited to those made from iron and steel, nonferrous metals, plastics and other materials. Scrap prices in turn are influenced by a wide range of factors such as domestic and global scrap market supply and demand conditions, prices for primary materials and scrap substitutes, demand for intermediate and finished goods, and many other factors. In addition, the costs of dismantling, transporting and processing salvaged wind turbines may be significant and may offset the underlying material value.

# Q. In your opinion, would an estimated price for salvage of the components of a wind turbine be a good indication of the price over a three (3) year period? Why or Why not?

In my current position at ISRI I am strictly prohibited from making any price forecasts regarding future scrap price movements. However, as indicated, scrap market prices can and do vary significantly over time. As a result, given the current levels of commodity and scrap price volatility, current market values may not be accurate indicators of future scrap prices or salvage values.

## Q. How volatile or stable are salvage values in general?

To the extent that the salvage values are determined in part by the scrap market prices of the components, those values can and do vary significantly over time. As an example, according to historical scrap price data from published sources such as *American Metal Market*, average annual prices for certain grades of scrap metal have varied by <u>as much as</u> plus or minus 40-60% per annum in recent years.

Respectfully submitted,

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Jane A. Napier (0061

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Case No(s). 12-0160-EL-BGN

Summary: Motion for Leave to File Instanter the written direct testimony of Joseph C. Pickard and Memorandum in Support electronically filed by Jane A. Napier on behalf of Champaign County Board of Commissioners and Goshen Township Board of Trustees and Union Township Board of Trustees and Urbana Township Board of Trustees